FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 120 *19 June 1980*

ARGENTINA

Federal Party's Manrique Backs Armed Forces Process B 1
Heavy Water Plant To Be Brought From Switzerland B 1

BOLIVIA

Reportage on Santa Cruz Incidents; Calm Restored C 1
Radio Station Bombed C 1
Falangists Creating Disorder C 1
FSB Abondons Radio Stations C 2
Army, Police in Control C 2
Acting Prefect Sworn in C 3
Gueiler Asks for Calm C 3
Interior Ministry Communique C 4
COB March Announced C 5
March Postponed C 5
COB Decries 'Coupist Attempt' C 5
President of Congress Comments C 6
Leaders' Reactions C 7
Ambassador to U.S. Due To Arrive for Consultations C 8
FSB Lifts Hunger Strike Against U.S. Ambassador C 8
Air Force Commander Warns About Disorganization C 9
Executives Held Hostage by La Paz Workers C 9
Construction Workers Reportedly Mistreated in Libya C 9

BRAZIL

O ESTADO Interviews Delfim Neto on Economy [11 Jun] D 1
One of Last Political Exiles Returns Home D 4
[JORNAL DO BRASIL 18 Jun]
Briefs: Coal Discovery; Gasoline Price Increase D 4

CHILE

Admiral Says U.S. Policy 'Temporary' E 1
Twenty-two Receive 3-Month Banishment E 1

COLOMBIA

M-19 Announces New 'Spectacular' Action in Future F 1
Commander Uno Returns F 1
Talks With Nicaragua's FSLN F 2
Military on Alert F 2
ELN Leader Vasquez Returns F 2

Officials Deny Plane Caught in El Salvador Colombian F 3
Education Secretary Denounces Marxist Infiltration F 3
Church Echoes Concern F 3

PERU

President-elect Belaunde Names Some Cabinet Members J 1
Belaunde To Return Radio Stations, Papers to Owners J 1

VENEZUELA

Calderon Berti Interviewed on OPEC Meeting L 1
[Madrid YA 13 Jun]

CENTRAL AMERICA

COSTA RICA

Venezuela's Herrera Guarantees New Benefits P 1
Carazo Reportedly Orders Arms Smuggling Probe P 1
Press Speculation Rapped P 2
Authorities Arrest Man in Arms Theft Case P 2
Ramifications Investigated P 3

EL SALVADOR

Government Accused of Complicity in Arms Incident P 3
[API NEWS 18 Jun]
Morales Ehrlich Stresses Need for Emergency Plan P 4
[LA PRENSA GRAFICA 16 Jun]
Junta Members Conduct Work Session on Agrarian Reform P 4
Armed Forces Deny Rumors on Lack of Safety on Roads P 5
Security Corps Captures Morales Ehrlich's Son P 5
FDR Delegation in Austria Sees Early Overthrow of Junta P 5
Austrian Socialist Pledge Support P 6

GUATEMALA

Defense Minister Denies Any Intervention Efforts P 7
Foreign Minister Explains Diplomat's Dismissal P 7
[PRENSA LIBRE 10 Jun]
Embassies' Involvement Asked in Valverde Case P 8
Circumstances Limit Costa Rica P 8
Five Embassies To Intervene P 8
Nicaraguan Envoy Demurs P 9
Briefs: Ambassador to Panama P 9

HONDURAS

Talks With El Salvador May be Suspended P 9

NICARAGUA

Foreign Minister Disputes Arms Plane's Alleged Flight Plan P 10
Arce Says Brezhnev Invited to July Celebrations P 10

Official Announces EC Assistance Totals $15 Million P 11
Business Leaders Report on Meeting With U.S. Congressmen P 11
[LA PRENSA 10 Jun]

CUBA

GRANMA Reports 105 Refugees Left Mariel 17 Jun Q 1
Refugees' Difficulties in Peru, U.S. Reported Q 1
GRANMA Denies Some Refugees Are Mental Patients Q 1
Commentary Deplores Plight of Haitian Emigrants Q 2
Council of State Names Naranjo Government Minister Q 2

OTHER COUNTRIES

URUGUAY

Spain Seeks Release of Dissident, Spanish Detainees V 1

PANAMA

Columnist Says Carter, Torrijos Deserve Support V 1
[CRITICA 14 Jun]

FEDERAL PARTY'S MANRIQUE BACKS ARMED FORCES PROCESS

PY171739 Buenos Aires TELAM in Spanish 0047 GMT 17 Jun 80

[Text] Salta, Argentina, 16 Jun (TELAM)--The success of the process is of national interest. If it fails, we can expect bad times. We will not achieve a true democracy through a new stage of frustration, therefore the civilians must come to the aid of the armed forces in order to achieve the success for everyone.

Francisco Manrique, president of the Federal Party and former welfare minister, made this statement in a press conference today. Manrique was accompanied during the press conference by leaders of the Federal Party of the provinces of Salta, Santiago del Estero, Catamarca, La Rioja, Jujuy and Tucuman.

Asked his opinion about the proposals of Arturo Frondizi and his economic team, Manrique said: This team wants us to forget the economic chaos it helped to create before 24 March 1976, and now it reappears on the political scene with the desire of catching the country in a disastrous situation.

Asked about the former commander in chief of the navy, Adm Emilio Massera's statement that the process has failed, Manrique said that the statements which are attributed to Massera do not coincide with the minimum intellectual qualities of a former member of the military junta; although there has been no denial from him, Manrique believed that the concepts which are attributed to Massera differ from what he had really said. Manrique added: I cannot think any other way. We can discuss the reorganization process regarding its implementation and even admit that there area lot of things to be rectified or a lot of things to be done, but there is a great difference between admitting this and extending it to proclaiming a death certificate. Such an attitude is also an offense to those people who had jointly borne the executive responsibility with Admiral Massera.

Manrique stressed that in order to achieve success it is necessary to contribute with ideas and efforts, and criticism--if such is deserved. One must also have common sense to approve the right things; any other conduct will be suicidal.

Refering to the election of the new president, Manrique said that anyone who wants to complicate the transfer of power will be attacking the process. If there are enmities, emulations, rivalries or simple personal matters, all these have to be overcome in favor of a process, for the future possibilities of the process depend on our attitudes.

Finally, Manrique said that he was an enemy of monetary devaluation, saying that it would not be a positive measure but on the contrary would provoke more inflation.

HEAVY WATER PLANT TO BE BROUGHT FROM SWITZERLAND

PY170317 Buenos Aires TELAM in Spanish 2150 GMT 13 Jun 80

[Text] Bern, 13 Jun (TELAM-AFP)--The minister of transportation, communications and energy reported here today that the Swiss energy office has authorized the export to Argentina of a heavy water production factory by the Sulzer Metal Construction Company.

Switzerland has received a guarantee that Argentina will use this installation and the heavy water it produces only for peaceful purposes. The same source added that any use that may lead to obtaining a nuclear device is excluded. The value of the installation totals $60 million, and work is scheduled to start next September. It was noted that heavy water will be produced 4 years later.

REPORTAGE ON SANTA CRUZ INCIDENTS; CALM RESTORED

Radio Station Bombed

PY181538 Paris AFP in Spanish 1518 GMT 18 Jun 80

[Text] Santa Cruz de la Sierra, 18 Jun (AFP)--The local radio station Willy Bendeck was blasted by dynamite today by an unknown commando group. There is complete confusion in this Bolivian city, agitated by paramilitary and extreme right groups.

The paramilitary groups are patrolling several areas of the city, which is also being patrolled by the army and the police. There have been no clashes so far, although intermittent shots are heard in several areas of Santa Cruz, capital of eastern Bolivia.

Armed civilians have gathered in the main plaza of this city of 300,000 inhabitants. The plaza is surrounded by the city's most important government buildings: the prefecture (government headquarters), the municipality and the cathedral.

Classes are suspended, all shops and government offices are closed and there is no public transportation. A local radio network continues to issue "nationalist" slogans to "defend the fatherland, which is being threatened."

President Lidia Gueiler, moreover, is ill at the official presidential residence in La Paz. Despite her illness, however, she has called a "private meeting" with the interior and defense ministers to discuss the rebellion led by militants of the Bolivian Socialist Falange.

According to a La Paz government spokesman, the situation throughout the country is calm with the exception of Santa Cruz, 1,000 km east of La Paz.

Falangists Creating Disorder

PY181543 Paris AFP in Spanish 1503 GMT 18 Jun 80

[Text] Santa Cruz de la Sierra, 18 Jun (AFP)--Agitators belonging to the Bolivian Socialist Falange (FSB) occupied several radio stations in this city, set fire to U.S. offices and are making appeals to the armed forces to join them. Groups of excited people also broke into the Electoral Court and burned some of the materials which were to be used in the general elections on 29 June.

This city of 300,000 inhabitants is at a complete standstill and machinegun bursts and shots have been heard in several districts. Troops of the II Army Corps stationed here marched into the streets early this morning to control the situation, while the high command of the armed forces met in La Paz at 1400 GMT to study the situation caused by paramilitary groups in Santa Cruz.

The disorder began on Tuesday, when FSB members took over Radio Grigota in this city and began to transmit anti-American proclamations. A situation which began as an anti-imperialist demonstration is now becoming a paramilitary revolt.

FSB Abandons Radio Stations

PY181611 La Paz Radio Panamericana Network in Spanish 1540 GMT 18 Jun 80

[Report by Radio Panamericana correspondent in Santa Cruz]

[Text] Good morning to all Radio Panamericana listeners throughout Bolivia:

We can report to you from Santa Cruz that a few minutes ago, at 1105 to be exact, the forces representing the Bolivian Socialist Falange [FSB] abandoned the radio stations they occupied at 1700 yesterday.

Those forces initiated a subversive movement in this city, repeatedly calling on the armed forces, which did not respond to the appeals of this political group that had entrenched itself at Radio Grigota using its shortwave transmitter, heard all over the country, to mobilize the whole country to revolt.

The movement by the FSB group, a dozen of whose members are still on a hunger strike, has announced that it has abandoned the radio stations and they seem to have fled to avoid arrest by the forces of public order.

It could be observed this morning that there was an almost total standstill of activities here because beginning early this morning, a number of communiques were transmitted urging the population not to carry out public or private activities in order to prevent disorder in the central part of the city. The stations forming the network have now returned to their normal programs.

It is also reported that the Bolivian interior minister will come to Santa Cruz for talks with officials, particularly with Santa Cruz Mayor (Salvador), who is reportedly now at the airport to receive the interior minister.

It is also reported that a university student was wounded during clashes which are said to have occurred early this morning. The population of Santa Cruz has had practically no sleep because all night machinegun bursts and shots were heard in various parts of the city. It has just been confirmed that it was a university student, not yet identified, who was wounded by the FSB when they withdrew and attempted to hide outside the city.

The official report from the petroleum company hospital in Santa Cruz says that Walter Pereira Anez, prefect of Santa Cruz Department, who was wounded yesterday by a group of peasants headed by (Lisandro Molina), is out of danger and was operated on yesterday a few minutes after being seriously wounded in his own office in the departmental prefecture building.

This is all we have to report from Santa Cruz just after this city has completely returned to normal and where the democratic spirit apparently reigns again--the spirit which we have been able to observe during these days preceding the elections.

Army, Police in Control

PY181806 Paris AFP in Spanish 1720 GMT 18 Jun 80

[Text] Santa Cruz, 18 Jun (AFP)--The army and the police force have taken over the prefecture building (the seat of government) and are in control of this city of 300,000 inhabitants located 1,000 km east of La Paz.

Calm returned to Santa Cruz shortly after noon today when paramilitary forces of the Bolivian Socialist Falange (FSB) withdrew from the radio stations and the strategic places they had taken over with rifles and light weapons early this morning.

Alcedes Garcia, a 17-year-old student, died here today from the bullet wounds he received while marching against the rebels who wanted to launch a coup in Bolivia. Garcia, a student at the Florida National School of Santa Cruz, died at the hospital while receiving first aid.

Acting Prefect Sworn In

PY181912 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Jun 80

[Excerpt] [Relay from Santa Cruz] At the request of the people who are stationed in the main plaza in Santa Cruz and who are defending democracy, Deputy (Miguel Capovianco) administered the oath of office a few minutes ago to Col (Wilfredo Aguirre) as the new acting prefect of Santa Cruz. Colonel Aguirre is the commander of the Social Security Guard.

Gueiler Asks for Calm

PY190052 La Paz Radio Panamericana Network in Spanish 0000 GMT 19 Jun 80

[Text] In a message that she addressed to the people of Santa Cruz and Bolivia, the president asked that the people remain calm and be prudent in order to carry out the general elections of 29 June.

Following is the complete text of the message:

With deep regret for the events which are tearing the people of Santa Cruz apart, the government demands calm and prudence from the people and it also demands a patriotic truce from the leaders of political groups which will allow us to carry out the elections, through which the will of the people will be demonstrated and its definite destiny forged.

These events that emerge in the country's everyday life in various forms--threats of deadlines, hunger strikes, stoppages, protests, the taking of hostages and states of emergency--only create uncertainty and an artificial crisis. If some of the demands are just, their immediate solution cannot be demanded after so many years of indifference and backwardness. There are other unusual and despotic events and to date, with the attacks that we are experiencing, we do not know who is behind them.

In the name of harmony among Bolivians, we wish to ask that all requests and demands be put aside during this pre-electoral stage so that the elections may be held in an atmosphere of mutual respect and the debates centered on the great national problems.

The persuasive action of the government is based on its confidence in the Bolivian man and we will continue to follow that path. But, on recalling the events in Santa Cruz, we warn that the law will be rigorously applied to those who are guilty. We ask for understanding because we invoke national fraternity. Violence is for fanatics; the fatherland is now on the path toward a stable peace and democracy. The government will continue to firmly undertake the preservation of order, constitutional guarantees and national sovereignty.

I thank the people of Santa Cruz and its organizations who during this difficult time once again reaffirm their faith in Bolivia and a democratic future.

Interior Ministry Communique

PY190021 La Paz Radio Panamericana Network in Spanish 2320 GMT 18 Jun 80

[Text] The press department of Radio Panamericana reports:

Communique of the Interior Ministry:

The ministry reports to the people the following:

1. Tranquillity has returned to Santa Cruz de la Sierra. All activities have been normalized after peasant groups from the north, who took over the departmental prefecture and several radio stations, have withdrawn to the norther part of the department.

2. The peaceful withdrawal of the peasant groups took place thanks to the precise instructions given by the Interior Ministry to the state security organiztions to avoid any confrontation and bloodshed, and use dialogue and persuasion instead as a weapon to overcome the crisis and guarantee the continuation of the electoral process.

3. The Interior Ministry condemns and regrets the aggression committed against the Santa Cruz prefect, Walter Pereira, who was hit by two bullets, wounding him seriously at a time when he was trying to find a peaceful and impartial solution to the hunger strike being waged by a group of political militants in Santa Cruz de la Sierra. The ministry also regrets the injuries received by other persons which include the secretary general of the Santa Cruz Prefecture and a reporter. Prefect Walter Pereira is recovering from the two bullet wounds in the Santa Cruz hospital which is owned by the Social Security Petroleum Fund. According to a report from the hospital director, Dr (Roman Mandiu Roca), Pereira's condition is still serious because he was hit in the lower right of the thorax with perforation of the abdomen, liver and duodenum and laceration of the elbow. As a result of this and the great loss of blood, he is under intensive care today to speed up his recovery.

The communique then states: Once normality has returned in all activities, the Interior Ministry will request, through the military commands, the presentation of the alleged perpetrators of the attack to be dealt with in accordance with current laws.

5. [Number as heard] The charges of an alleged participation of members of the armed forces in the Santa Cruz events have not been made officially nor is there any indication of this participation. On the contrary, it is known by the people that the armed forces publicly expressed their total support for the democratization process to which the Bolivian people are committed.

The communique also states that the Interior Ministry deeply regrets the destruction of the U.S. Consulate, the departmental Electoral Court despite the police protection in these two buildings, and the attack on the Teachers' Fund Building of Santa Cruz and other attacks perpetrated from last night to early this morning. The order has been given for the appropriate police organizations to carry out a detailed and quick investigation to identify the perpetrators and put them under the jurisdiction of the penal code for their processing.

7. [Number as heard] The Interior Ministry deplores the events that took place this morning when student Alcides Garcia Flores was seriously wounded as students of the Florida School were trying to dislodge the people who were occupying the prefecture building.

La Paz 18 June 1980.

[Signed] Interior Ministry Press and Public Relations Office.

COB March Announced

PY190134 La Paz Radio Panamericana Network in Spanish 0000 GMT 19 Jun 80

[Excerpt] Normality has returned to Santa Cruz. All public offices were open after 1300.

The departmental Bolivian Labor Federation, COB, announced a march in the next few hours for the defense of democracy which will be held in Santa Cruz. Our correspondent in Santa Cruz, who has sent us many reports today, gives the following report:

[Begin recording] This is Radio Panamericana from Santa Cruz. Tranquillity has returned to this city since students and leaders of the COB and People's Democratic Union--UDP--closed the departmental prefecture. [end recording]

March Postponed

PY190135 La Paz Radio Panamericana Network in Spanish 0000 GMT 19 Jun 80

[Excerpt] Our correspondent in Santa Cruz reported that the so-called march for the defense of democracy, ordered by the departmental Bolivian Labor Federation, COB, will be carried out tomorrow, probably in the afternoon. The correspondent said that national and COB representatives will attend the march. The march will be led by leader Juan Lechin Oquendo.

COB Decries 'Coupist Attempt'

PY182038 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Jun 80

[Text] The Bolivian Labor Central [COB] has decreed a national state of emergency among its members to thwart any coupist attempt seeking to obstruct the current democratic process in the country.

The COB held a meeting this morning and, after learning about the regrettable events in Santa Cruz, where members of the Bolivian Socialist Falange [FSB] caused some street disturbances leading toward a subversive coup, expressed its absolute repudiation of those events.

CCB leader Simon Reyes read for Radio Panamericana the document approved this morning on those events: The document reads as follows: [Begin recording, presumably of Simon Reyes] When the public already felt that the country was getting ready for the general elections in order to continue the democratic process, the fascist faction, with all its Nazi methods and its armed and brutal violence, showed its claws in Santa Cruz yesterday, forcing former peasant leaders and coordinators to carry out an attack against the Santa Cruz mayor, his adviser and journalists early this morning, in response to the bloody plans of the FSB, who strangely got protection and armed support and set on fire and looted the electoral court, the departmental COB building, the Bolivian-U.S. center and the U.S. consular office.

The crucial point of these criminal acts yesterday is that the murderers, to the surprise of the whole nation, had the immediate support of Capt (Rudi Londivar) and of Col (Julio Caniro), who are assigned to the II Corps and who released the criminal mercenaries from the police station, as reported by the national press.

In light of this situation, the Santa Cruz workers and all the people have responded with a general mobilization which will be maintained until the FSB paramilitary groups and former peasant coordinators give up their criminal plans.

We express our solidarity with our comrades and with the people and workers of Santa Cruz, who by courageously resisting to the fascist siege, are giving an example of patriotism and of democratic faith.

Considering the repeated criminal acts which were in Santa Cruz yesterday and today by this fascist group, which is following a coupist plan--which now seems to have been suspended indefinitely--and which confirms our repeated denunciations about the plans of the enemies of the people, all the national union organizations have been declared in a state of emergency, which consists of a general state of alertness to respond in due time to the decisions and guidelines of the COB; to oppose any coup attempt by carrying out a general stoppage; and through a popular resistence and a general blockade throughout the country.

The COB executive committee has declared itself in permanent session and urges all workers from the mines, the fields and cities to unite and maintain the necessary vigilance around their organization; and it also urges the committees for the defense of democracy, to prevent fascist provocation, with the guarantee that mow, as in the past, the coupist fascism will never win. [end recording]

President of Congress Comments

PY181900 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Jun 80

[Text] The president of the national Congress, Jose Zegarra Cerruto, has requested the Bolivian nation to remain calm in these moments of political crisis which once again shake the country. Jose Zegarra then pointed out that the subversive movement of the Bolivian Socialist Falange (FSB) did not receive the support of the nation.

[Begin recording] Certainly the citizenry was surprised by the violent attitude in Santa Cruz City of very well-known groups who started their plan with a hunger strike. This hunger strike, which the presidency of the Chamber of Deputies, the church and the armed forces tried to end days ago with special persuasion, ended uneventfully when the strikers left the Congress building early this morning. Moreover, the events which are taking place in Santa Cruz City are strongly rejected by the Bolivian nation. Thus, this unfortunate plan lacks any support whatsoever. [end recording]

Zegarra went on to point out that the Bolivian Armed Forces, remaining faithful to their commitment to respect the democratic process, did not become involved in this antidemocratic attitude and they they deserve praise for this.

[Begin recording] The Bolivian Armed Forces, with an attitude that deserves praise, have demonstrated maturity and responsibility to the nation. Proof of this is the fact that those groups who are disturbing the peace of Santa Cruz City at this moment lack the support of the public of that city. So we hope that in a few more minutes tranquillity will return to the brother city of Santa Cruz. In the meantime, I request calm and the dismissal of rumors which may disturb the social peace. [end recording]

Jose Zegarra also pointed out that the Congress will not meet to discuss this political event which has cause unrest in the Bolivian nation in the past hours.

[Begin recording] There is no reason for a meeting since this group has scheduled no meeting which may trouble the national Congress. Therefore, there is no need for the Congress. Therefore, there is no need for the Congress to meet to reach a decision since the group which has caused unrest in Santa Cruz will probably fail in its attempts.

Leaders' Reactions

PY182049 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Jun 80

[Text] Political leaders of several parties and organizations have condemned the events in Santa Cruz and expressed their support for the process aimed at democratizing the nation by means of free elections.

Jorge Tamayo, vice presidential candidate for the Democratic Nationalist Action [ADN] led by General Banzer, stated that he is opposed all forms of violence, such as has occurred in Santa Cruz:

[Begin Tamayo recording] I believe that the position taken by political groups belonging to the Bolivian Socialist Falange [FSB] in Santa Cruz City is the result of a patriotic attitude. I have the impression, however, that they have gone to extremes, which should not have occurred, because such a situation creates unrest in the whole nation and a climate of nervousness among the citizens. It also creates a general political climate fearing acts of violence and that other groups may take advantage of this to continue the wave of terrorism, not only in Santa Cruz but throughout the nation. [end recording]

He also said that such acts may serve as a vehicle for a coup--that is, the interruption of the democratic process, a process with which the ADN is in agreement.

[Begin Tamayo recording] It would not be strange if it became a vehicle for the people or groups who want to disrupt the electoral process by means of a coup. This would be against all ADN intentions as well as those of all Bolivian people. What we want is to arrive at the 29 June elections, when the people will pick the winner. [end recording]

Oscar Eid, leader of the Movement of the Revolutionary Left, which is a member of the People's Democratic Union [UDP] Front, also condemned the events in Santa Cruz:

[Begin Eid recording] The events in Santa Cruz are still an expression--isolated so far--of the antidemocratic sectors which still exist, although under adverse conditions and, against the electoral process and the elections themselves. We expect that the whole country will reject this type of attempt. In this situation I believe it is up to the citizens, all the Bolivian people, to give their verdict and go to the ballot boxes en masse on 29 June in order to directly express their will and so create the powers of the state. We believe that the citizens have the basic responsibility for bringing this process to its culmination by not dispersing their votes among 12 candicacies, but rather choosing the candidacies which seem to them to be the most likely to solve the problems of the country. This will contribute to finding a direct solution at the ballot boxes, thus preventing a situation which may later harm the process. [end recording]

(Luis Lopez Altamirano), highest ranking leader of the National Factory Workers Confederation, charged that the factory workers' union office in Santa Cruz had been attacked and sacked and said the following:

[Begin (Lopez) recording] The confederation has declared a state of emergency among its members throughout the country. I deplore those paramilitary groups, and particularly the fact that a party has become identified with a number of attacks against labor organizations. Their attitude is deplorable. [end recording]

The factory workers' leader also said that he finds it very strange that the FSB, a party identified with capitalist imperialism, should have tried to change its position by attempting to appear as an anti-imperialist party. He said that no one believes in that change.

Radio Panamericana gathered still more statements condemning the events in Santa Cruz. Let us listen to Senator Oscar Zamora:

[Begin Zamora recording] The country has been witnessing for several days a number of provocations staged by a small group of fascists whose main goal is to bring about a coup d'etat in the country. In fact, all the reactions and the behavior of that fascist group are aimed at precipitating a military coup. Therefore, it is now necessary to maintain a high regard for the defence of democracy among all the various sectors of the public. We expect that both civilians and military men will understand that this type of provocation cannot be (?accepted) in any way by the country; it is flatly rejected. This is important for the democratic process and it is important that the armed forces understand the need for democracy and that they in no way accpet this Falangist provocation which has, as I said, a single aim: to precipitate a military coup against democracy in this country. [end recording]

AMBASSADOR TO U.S. DUE TO ARRIVE FOR CONSULTATION

PY181921 La Paz Radio Panamericana Network in Spanish 1700 GMT 18 Jun 80

[Text] Bolivian Foreign Minister Gaston Araoz Levy has stated that Roberto Arce, Bolivian ambassador to the United States, will arrive in Bolivia either tonight or early tomorrow morning at the latest to review Bolivian-U.S. relations. Foreign Minister Araoz has stated:

[Begin recording] [Araoz] We have instructed him to leave any pending negotiations with our charge d'affaires or the minister councillor. It has been confirmed that he is arriving either tonight or early tomorrow morning at the latest.

[Question] Why was he called back?

[Answer] Well, he is mainly coming for consultations on those issues that are of public knowledge. [end recording]

According to the foreign minister, his office has always upheld national dignity [words indistinct] statement issued by Bolivian Socialist Falange [FSB] leaders.

[Begin Araoz recording] Well, the government has made its position quite clear in this regard. As foreign minister I have fulfilled my duty and will continue to do so in defense of our nation's independence and dignity. It is the task of the foreign minister, in his capacity as a member of the national government, to coordinate policy under the guidance of the president, but in compliance with the Constitution; moreover, it is the president who must decide on the policy that will be enforced.

In the letters that I addressed to the FSB and the military high command, (?I explained) the areas for which we were responsible. I added that whenever there is any incident the foreign ministry is the first government organization to fulfill its duty in compliance with international (?diplomatic) practice. I can state to all Bolivians that the office I am in charge of has fulfilled all its duties at all times and that at no time has it (?ceased to defend our nation's) dignity and sovereignty. [end recording]

FSB LIFTS HUNGER STRIKE AGAINST U.S. AMBASSADOR

PY190154 La Paz Radio Panamericana Network in Spanish 0000 GMT 19 Jun 80

[Excerpts] The executive board of the Bolivian Socialist Falange, FSB, has lifted the voluntary hunger strike being carried out by FSB leaders and militants.

FSB Deputy Roberto Freyre reported that the hunger strike being waged by his party members in the Congress and at the newspapers **EL** DIARIO and PRESENCIA has been lifted. He reiterated that this measure was only aimed at getting the withdrawal of U.S. Ambassador Marvin Weissman. Deputy Roberto Freyre said that FSB is engaged in helping the country continue its democratic process and helping elections to be held as planned.

AIR FORCE COMMANDER WARNS ABOUT DISORGANIZATION

PY170313 Buenos Aires LATIN in Spanish 1900 GMT 16 Jun 80

[Excerpt] La Paz, 16 Jun (LATIN)--Gen Waldo Bernal Pereira, commander of the Bolivian Air Force, has confirmed the military support for the installation of a healthy government, but he warned that a disorganized process may lead our emerging democracy to self-destruction.

Speaking at a ceremony held yesterday to commemorate the anniversary of the air force, General Bernal said that the armed forces want the electoral process to be strong, well-structured and based on legal provisions supported by most Bolivians. He was referring to the general elections to be held within 13 days.

"A disorganized process may lead the emerging democracy in our country to self-destruction," the general said in a speech released here today. He added that the recent armed forces proposal to postpone the election for a year was aimed at avoiding sectarian, fratricidal struggles in a hasty electoral process.

EXECUTIVES HELD HOSTAGE BY LA PAZ WORKERS

PY180418 Buenos Aires TELAM in Spanish 0126 GMT 18 Jun 80

[Text] La Paz, 17 Jun (TELAM)--Five executives of the Ribsa textile company in this city have been taken hostage by the workers of the company.

The executives have been identified as Jalucho Salome, president of the executive board; Mario Massi, general manager; German Indaburu and Hayde Salvatierra. The fifth hostage has not been identified. The first two are Argentines and the others are Bolivians.

Officials of the Labor Ministry are taking part in negotiations.

CONSTRUCTION WORKERS REPORTEDLY MISTREATED IN LIBYA

PY171857 La Paz Radio Panamericana Network in Spanish 1700 GMT 17 Jun 80

[Excerpts] About 50 Bolivian construction workers are virtually the prisoners of Libyan officials, guarded by the police and ill-treated, according to a charge made today by labor leader (Ricardo Catoira). (Catoira) said that the workers were taken to Libya by a contractor who then left them to their fate. The report on the situation of the Bolivians there has arrived through three of them who succeeded in escaping through the desert.

(Catoira) said that the case has been explained to the Bolivian Labor Federation which contacted the Foreign Ministry yesterday, asking the ministry to request the repatriation of the workers through the Venezuelan Embassy in Libya. Bolivia does not have a diplomatic mission in that country.

O ESTADO INTERVIEWS DELFIM NETO ON ECONOMY

PY161722 SAO PAULO O ESTADO DE SAO PAULO in Portuguese 11 Jun 80 p 22

[Interview granted to O ESTADO DE SAO PAULO by Brazilian Planning Minister Delfim Neto in Brasilia on 10 June]

[Excerpts] [Question] Are you optimistic about the coming harvest?

[Answer] We are preparing to provide the agricultural sector with the appropriate conditions to enable it to produce a harvest similar to this year's. We are trying to encourage an expansion of farming areas. We are going beyond our capabilities to provide VBC [basic cost value] coverage and appropriate floor prices because we believe this will help us attain a harvest which will allow us to reduce, little by little, the inflationary pressure.

[Question] How can you reconcile the effects of monetary expansion stemming from the massive credit support to agriculture with the need to curb inflation?

[Answer] It is a matter of priorities. We will provide the monetary budget with certain additional resources drawn from the fiscal budget, and the loans to other sectors will be reduced. Assigning priority to agriculture and exports means that these sectors will have credit limits broader than those of other sectors. The idea is to compensate for the excess of agricultural credits by reducing the credits to other sectors.

[Question] Will the more profitable agriculture products such as soybeans have less VBC protection than beans, for example?

[Answer] In fact, products such as soybeans could have VBC coverage below 100 percent because these are highly profitable products and the producers are already building up their capital. Thus it is possible that this idea will be included in drawing up the program. However, the government's intent is to provide a 100 percent coverage for domestic consumption products as far as available funds permit.

[Question] You recently mentioned the possibility of implementing a zero-based budget [orcamento base zero] as of next year. How will this be done?

[Answer] On instructions of the president of the nation, the programs of every ministry are being review with a critical eye for the purposes of the new budget. Each ministry is reviewing its program seeking to concentrate its activities on investments which require less time to pay off, thus trying to aid the struggle against inflation. This means that we will eventually be able to eliminate (and not provide with new budget funds) the programs which are having inflationary effects, and launch other programs.

[Question] Has the idea of budgetary unity been abandoned or will the next fiscal budget continue, including items which are currently part of the monetary budget?

[Answer] The idea is to slowly absorb into the fiscal budget everything which truly belongs to it. Such is the case of subsidies which are still being counted as part of the monetary budget. The transfer of these subsidies to the fiscal budget will begin next year.

[Question] What are the results of the efforts made by the government to prevail upon foreign enterprises to transfer their borrowed capital into investment capital?

[Answer] There still are few results. However, we aware that many such transfers are underway because many corporations have complied with the request of the government. I believe that we will obtain significant results amounting to $500 or $700 million this year, an amount which will help us in the movement of capital for the balance of payments. These funds will be accounted for as direct investments.

[Question] Is the intake of foreign resources at the expacted level? How much has been received from abroad so far?

[Answer] Currently the intake of foreign resources is developing well as we have practically reached the desire amount because we are receiving about $500 million per week while maintaining our target net intake at $5 million, plus over $7 billion, for the amortization of our debts. So far we have raised over $4 billion and the reduction of interests has further helped to return everything to normal.

[Question] It seems that the rates of inflation and the adjustment of the exchange rate are drawing apart more and more every time. If the annual inflation rate stays at the level of 80 percent, how can we reconcile this with a 40-percent adjustment of the exchange rate? Will there be another maxidevaluation or will a multiple exchange rate be implemented?

[Answer] We still have quite a margin, even with a 95 percent inflation rate. We must always take 12 months into account: The current adjustment of the exchange rate is 122 percent, which means that there is an ample margin. In addition to this, I believe that we will probably experience some success in our struggle to reduce inflation during the second half of this year. Therefore, we will be able to continue implementing the minidevalution policy. Both the maxidevaluation and the multiple exchange rate are totally out of the question.

[Question] Is it possible to extend the preestablished adjustment for the exchange rate and for the monetary correction until June 1981?

[Answer] It is possible and we should put this measure in effect within a week, more or less. We should raise our sights a little more; however, we still have to establish the level, which may or may not be the same as the one we have now. It will depend on many things.

[Question] Are you suggesting a new reduction of imports by state corporations?

[Answer] It is not a matter of a new cut. The fact is that the effectiveness of the ceilings has never been tested. We just finished a survey and we found out that the ceilings established in 1976 were far above the quantities which these corporations have been importing all these years; thus, the ceilings had no value. What we are going to do now is adjust these import ceilings so that they can truly help reduce imports a little.

[Question] But hasn't this very government established the ceilings for 1980?

[Answer] Yes, but it just followed a tradition. The basis for the establishment of the ceilings was always the highest ceiling of the year before. Since the first ceiling was established in 1976, that ceiling and those which followed it were always unrealistic because the belief that those ceilings were indeed restricting imports was not true. What was happening was that imports were right down at the bottom and the ceiling was high above them.

[Question] What is the behavior of the main accounts of the monetary budget? In addition to the wheat, meat and CNP [National Petroleum Council] accounts at the Bank of Brazil, are there other reasons for the "explosions" of the monetary budget?

[Answer] I believe that the means of payment have been growing at the rate of about 74 percent for the last 12 months, including May. Strictly speaking, there should be some compensation so that these cases would not provoke "explosions." The case of wheat is difficult because things have been piling up for 5 years, and the price that would have to be established for bread in order to close this account would be something terrible. It is possible that the price of bread would go up fivefold. Everybody is asking us to close the wheat account, but when you tell them that if it were not for this we would have to increase the price of bread fivefold, no one persists in the request.

As for petroleum, things are a little bit different. The problems started in 1979 because of the price increases which pushed the prices up 116 percent in only 1 year. During the same period, the exchange rate went up 122 percent, which means that domestic oil prices experienced an increase of 380 percent. This alone gives us a price index of 40 percent. We cannot correct this all at once, but only over a long time. You can see for yourself that we have stepped up the adjustments: There will be a price increase this month, and we will have another one next month. We will close this account in August by stabilizing it at its present level without exerting any more pressure on the monetary budget.

It was absolutely impossible to make a single adjustment. To give you an idea, in May 1979 we were paying $14 per barrel [as published] for oil and in May 1980 this price went up to $32.50.

[Question] When this account closes in August, gasoline will cost about 60 cruzeiros per liter?

[Answer] That depends. There is a certain degree of freedom for the establishment of prices of the various petroleum byproducts.

[Question] But aren't the prices of fuel to be increased in June, July and August?

[Answer] That is right. It is necessary because we have to balance this account. To give you an idea, the effect of the adjustment of fuel prices in June was a 2-percent variation of the wholesale price index.

[Question] Does this mean that until the prices of fuels are updated the inflationary pressure will be high?

[Answer] That is inevitable because if we do not update the prices we have to issue more money.

[Question] Are you not concerned about the psychological effects of a yearly inflation rate of 100 percent, which will be reached either this month or the next?

[Answer] Actually, 100 percent is a mythical number, as 60 percent and 80 percent were before. Each time we reach a plateau and move from one 10-point mark to another there is unpleasant pressure. Undoubtedly the reaching of the 100-percent mark will create a certain degree of uproar, but we must understand that the measures which we have implemented are reducing potential inflation and that at some point this upward tendency will reverse. I hope that this will happen during the second half of this year.

[Question] As of September then?

[Answer] God knows. However, it will reverse because we are controlling the means of payment, the fiscal budget, and we are implementing the measures which are bound to lead to this reversal.

[Question] Would you say that the salary policy is stimulating the inflation rate?

[Answer] Undoubtedly. It is one of the basic factors for the price increases. I would say that nowadays the salary policy is one of the most important factors in the price increases. It would suffice to take a look at sectors such as housebuilding, where there was a 20-percent hike in February and another 20 percent in November.

[Question] Then the salary policy is wrong?

[Answer] No, the policy is not wrong. It is the cause and the effect of inflation. The salary policy alone would not cause inflation. The worst it can do is increase unemployment, and since we have a policy which does not want recession, what we are doing, in fact, is approving the price increases. Now, if we take the increase in the price of oil, which alone stands for 40 percent of the overall increase in prices, and if you adjust the salaries to cover this increase of oil prices, what will happen? The process will never end. We must understand that the increases of oil prices are a tax which everyone must pay: both rich and poor.

[Question] Does the 6 month salary adjustment help to push up the salary-price spiral?

[Answer] I believe so, because it has turned a year into 6 months.

[Question] Then the idea is to change this system?

[Answer] No, not yet. The law is there and we must struggle with it.

ONE OF THE LAST POLITICAL EXILES RETURNS HOME

PY190148 Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Jun 80 p 2

[Excerpt] Salvador--The journalist and former leader of the peasant leagues of Rio de Janeiro State, Paulo Cavalcanti Valente, returned to Brazil yesterday by bus. He is the last of the political exiles to return who left the country for Uruguay in April 1964 accompanying former president Joao Goulart and the former governor of Rio Grande do Sul State, Leonel Brizola, to exile.

BRIEFS

COAL DISCOVERY--Aureliano Chaves, vice president of the republic and president of the National Energy Council, has briefed President Figueiredo on the discovery of a deposit of metallurgical coal [carvao metalurgico] estimated at 2 billion tons. The deposit is located in the Osorio region, near the Rio Grande do Sul seacoast. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 17 Jun 80 PY]

GASOLINE PRICE INCREASE--For the fourth time this year, gasoline prices will increase by 14 percent as of 27 June. Regular gasoline will now cost 34.2 cruzeiros per liter, while premium gasoline will cost 51.3 cruzeiros. The increase in the prices of gasoline and petroleum byproducts was revealed by mines and energy sources. Diesel oil and diesel fuel prices will also be readjusted, but the percentages have not yet been revealed. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 17 Jun 80 PY]

ADMIRAL SAYS U.S. POLICY 'TEMPORARY'

FY182059 Paris AFP in Spanish 1546 GMT 18 Jun 80

[Excerpts] Valparaiso, Chile, 18 Jun (AFP)--The Chilean Navy here today termed the decision to exclude it from the naval maneuvers to be carried out by warships of the United States and South American countries as something temporary which will be changed shortly and said that it will not modify the Chilean anti-Soviet position.

Rear Adm Ronald McIntyre, commander of the Chilean combat squadron, stated that "this is a transitory situation. Whether we take part in the Unitas maneuvers or not depends exclusively on the U.S. Government policy. We believe that this policy is going to change shortly."

McIntyre pointed out that this incident is not going to affect relations with the U.S. Navy. He stated that those relations are "at an excellent level."

McIntyre added: "The U.S. Navy has responsibility for the difficult strategic situation of its country, and it is interested in carrying out maneuvers with the participation of Western countries."

According to McIntyre, Washington's decision to exclude Chile from the Unitas-21 maneuvers "is the continuation of a policy aimed at harming us," which started off with the Kennedy Amendment which prohibited the purchase of U.S. arms in 1976.

McIntyre stated that "therefore, it was imprecise to cite the Letelier case as the main reason for this decision."

The commander of the Chilean squadron, however, pointed out that the principled Chilean position remains unchanged.

TWENTY-TWO RECEIVE 3-MONTH BANISHMENT

FY180813 Buenos Aires LATIN in Spanish 2243 GMT 17 Jun 80

[Text] Santiago, Chile, 17 Jun (LATIN)--It has been officially announced that the Chilean Government today punished 22 persons with an obligatory change of residence for a period of 3 months, accusing them of violating the state security law.

Those who are affected by the punishment were detained on Thursday, together with another 74 persons, as they were meeting in a restaurant of this capital in what was apparently a political gathering.

The 22 guilty persons were sent to several localities in the south of the country, and the rest were released after being warned that they will receive the same punishment if they are caught violating the political recess, which has been in force since 1973, with clandestine meetings or activities of a Marxist nature, the Interior Ministry reported.

The majority of the arrested persons are students from the State Technical University, including 29 women.

Relegation, or the obligatory change of residence, is contained in current laws authorizing the government to punish with this measure people who violate the internal security law.

M-19 ANNOUNCES NEW 'SPECTACULAR' ACTION IN FUTURE

PA181606 Madrid EFE in Spanish 2305 GMT 17 Jun 80

[By German Acero Espinoza]

[Text] Bogota, 17 Jun (EFE)--The clandestine guerrilla organization, 19 April Movement (M-19), today reappeared once again in Colombia by occupying a radio station in Cali, where it tried to kidnap several newsmen to announce a new more spectacular action than the occupation of the Dominican Embassy in Bogota.

An urban commando group, composed of several hooded youths armed with submachineguns, occupied the building where Radio Reloj of the CARACOL radio network is located and forced the workers and newsmen to remain silent with their hands up in the air.

The guerrilla, shouting slogans of his subversive organization, tried to kidnap newsmen and sports commentator Oscar Renteria Jimenez, but several workers of the station prevented them from doing so.

Newsman Wilson Araque, who spoke with EFE over the telephone, said that the guerrillas granted him a long interview in which they announced that they would carry out a much more spectacular action than the occupation of the Dominican Embassy in Bogota more than 1 month ago. According to Araque, the guerrillas disclosed all the demands they made to the Colombian Government during the embassy occupation, including more than $15 million which they were given before they left for Cuba with several of the diplomats they held as hostages. In their statements to Araque, the guerrillas reported that a guerrilla "summit" was held early on Tuesday in Cali with urban commando groups of Bogota, Medellin, Cali and Bucaramanga to prepare another more spectacular action than the occupation of the Dominican Embassy. They also disclosed that they are in touch with Fabio Vasquez Castano, one of the top ideologists of the clandestine National Liberation Army (ELN), to organize a guerrilla summit in Medellin with members of all the subversive groups that operate in Colombia.

However, the guerrillas did not disclose the date when they will carry out the new action, though they warned that it will be much more spectacular than the occupation of the Dominican Embassy "so that the entire world will know us even better in the future."

Commander Uno Returns

PA181607 Paris AFP in Spanish 2258 GMT 17 Jun 80

[Text] Bogota, 17 Jun (AFP)--Rosemberg Pabon, Commander Uno and leader of the 19 April Movement (M-19) group which occupied the Dominican Embassy in February, returned to Colombia from Panama a few days ago to reorganize the guerrilla group's struggle, it was learned today.

Pabon spoke over the telephone with a newsman of the Cadena Radial Colombiana (CARACOL) station in Bogota shortly before returning from Panama. In that interview, Commander Uno denied rumors that there are divisions in the M-19 and that on the contrary, the group is now stronger after the occupation of the embassy, where it held more than a dozen diplomats hostage during 30 days.

According to the radio station, the interview took place when the M-19 leaders began contacts with the Colombian Government regarding an eventual surrender to obtain amnesty. The Turbay Ayala government has not commented on this statement.

Talks With Nicaragua's FSLN

PA181713 Paris AFP in Spanish 1454 GMT 18 Jun 80

[Excerpt] Cali, Colombia, 18 Jun (AFP)--The leftist 19 April Movement admitted here today that it is carrying out contacts with the Sandinist National Liberation Front which overthrew dictator Anastasio Somoza last year. An M-19 spokesman said that the secret talks are advancing well and that they seek to achieve unity of action among the guerrilla movements in Latin America.

The M-19, which occupied the Dominican Embassy in Bogota for 61 days during which it held several diplomats hostage, announced that it is preparing a summit of Colombian guerrillas. The summit would be attended by leaders of the communist Revolutionary Armed Forces of Colombia (FARC), the M-19, the Maoist Popular Liberation Army (EPL), the Trotskiyite Workers Self-Defense Movement (MAO) and the Castroite National Liberation Army (ELN).

According to the M-19 spokesman who spoke with a newsman of the CARACOL radio network here, the M-19 will analyze a government proposal to grant amnesty to guerrillas who lay down their weapons. The M-19 recently offered to become legal and to accept the government's proposal if the government undertakes a social and economic policy in favor of the poor. The FARC has rejected the proposal and announced it will continue its struggle. The M-19 said that the amnesty proposal must be analyzed with a cool head and must include clear and precise conditions such as the lifting of the state of siege which has been in effect since July 1976.

Military on Alert

PA182018 Bogota Radio Cadena Nacional in Spanish 1730 GMT 18 Jun 80

[Text] The military intelligence command and other state security organs have been alerted to new threats by alleged members of the underground M-19. Military spokesmen told this station today that the possible return to the country of members of the M-19 commando unit which attacked the Dominican Republic Embassy in Bogota is being investigated.

Press reports say Commander Uno, Rosemberg Pabon, is back in Colombia. The national Defense Ministry has reported that the military intelligence service has been alerted to suppress any activities by the armed insurgents. It was also reported that security and control measures at strategic areas in the major cities such as embassies, public offices, airport and sea terminals have been reinforced to prevent any possible activities by the [word indistinct].

ELN Leader Vasquez Returns

PA140453 Madrid EFE in Spanish 0401 GMT 14 Jun 80

[Text] Bogota, 13 Jun (EFE)--It was reported today that Fabio Vasquez Castano, the founder and former leader of the guerrilla National Liberation Army (ELN), is in Colombia trying to reorganize the movement.

Col German Aragon, chief of military intelligence in Antioquia Department, said that Vasquez might participate in a summit of guerrilla chiefs which will be attended by Manuel Marulanda of the Revolutionary Armed Forces of Colombia and Jaime Bateman of the 19 April Movement.

Vasquez Castano, who disappeared from the country in 1973 after a clash with the army, has apparently been in Cuba and other socialist countries.

The members of the ELN, which once was the most powerful armed group in Colombia, included priests Camilo Torres Restrepo and Domingo Lain, the latter a Spaniard, who died during clashes with the army.

OFFICIALS DENY PLANE CAUGHT IN EL SALVADOR COLOMBIAN

PA181541 Paris AFP in Spanish 1532 GMT 18 Jun 80

[Text] Bogota, 18 Jun (AFP)--Colombian authorities denied here today that the plane that was carrying weapons for the Salvadoran leftwing guerrillas and was caught in Salvadoran territory on Sunday is Colombian.

Colombia's Civil Aeronautics Board reported that it is not missing any HK Aerocommander and added that it might more likely be a plane used for drug trafficking. Colombian officials went on to say that planes with such features belong to the United States. They are stolen in that country and then used for the illegal cocaine and marijuana trade.

EDUCATION SECRETARY DENOUNCES MARXIST INFILTRATION

PA170418 Bogota Radio Cadena Nacional in Spanish 1730 GMT 16 Jun 80

[Text] A serious situation in Bogota's schools, caused by the politicization of education by high school teachers, was reported to this station today by Education Secretary Pilar Santamaria de Reyes.

She explained that in recent months strict measures have been taken to control teachers and prevent political indoctrination and distortion of the government's programs. This is especially true in social and religious matters. Exam subject matters are being reviewed with great care since it was noted on several occasions that teachers are giving a Marxist orientation to the education they give their students.

Church Echoes Concern

PA172241 Bogota Radio Cadena Nacional in Spanish 1730 GMT 16 Jun 80

[Text] The Colombian Catholic Church today condemned the infiltration by Marxist teachers into schools and universities. It said education has begun to deteriorate and blamed the government for offering simplistic solutions to the problem.

In a statement to RCN, Msgr Mario Rebollo Bravo, chairman of the Colombian Episcopal Conference, expressed deep concern for the future of the young when their future teachers--who are presently studying at the university--are the promoters of riots and vandalism, the prelate said.

Monsignor Rebollo Bravo noted, however, that the invasion of universities, stonings and the [words indistinct] of rectors is a third-rate concern. What is serious, he said, is that education is failing in the home and in primary and high schools. This is why youths at the university take wrong paths and stray toward materialist ideologies or adopt extremist ideologies quite different from the Catholic faith it should profess.

The president of the episcopal conference said that the government has offered simplistic solutions and has not gotten to the bottom of the problem. One must set aside carefree solutions and not believe that things are that simple. A thorough analysis must be made to determine more practical alternatives, Monsignor Rebollo Bravo, archbishop of Pamplona, said in northeastern Santander.

PRESIDENT-ELECT BELAUNDE NAMES SOME CABINET MEMBERS

PY182225 Buenos Aires LATIN in Spanish 2120 GMT 18 Jun 80

[Excerpts] Lima, 18 Jun (LATIN)--President-elect Fernando Belaunde Terry today named Manuel Ulloa Elias, lawyer and economist, as prime minister and economy minister in the Cabinet which will take over the government on 28 July.

In a press conference, Belaunde explained that the names of the new army, navy, air force and energy ministers will not be made public until the day before he assumes the new civilian government. At the same time, the president-elect confirmed the reestablishment of the Justice Ministry, which had been closed at the onset of the military regime in 1968.

In his capacity as prime minister, Ulloa, 54, read the partial composition of the Cabinet. He released the names of 12 members of the 16-member Cabinet. There are nine members of the Popular Action Party in the new Cabinet, including President-elect Belaunde Terry. Two members belong to the Christian Popular Party and one of them is an independent. Javier Arias Stella, a pathologist and founder of the Popular Action Party in 1956, has been confirmed as foreign relations minister. Stella is currently secretary general of the Popular Action Party.

Miguel Alva Orlandini has been appointed chief of the national information system which had been created for the nationwide publication of official communiques.

The Cabinet is partially composed of:

Manuel Ulloa Elias as prime minister and economy and commerce minister; Javier Arias Stella as foreign relation minister; Jose Maria de la Jara y Ureta as interior minister; Luis Felipe Alarco as education minister; Eduardo Orrego as transport and communications minister; Niels Ericson as agriculture minister; Uriel Garcia as public health minister; Alfonso Grados Bertorini as labor minister; Felipe Osterling Parodi as justice minister; Roberto Rotondo Mendoza as industry, tourism and integration minister; Javier Velarde as housing and construction minister; and Rene Deustua as fishing minister.

BELAUNDE TO RETURN RADIO STATIONS, PAPERS TO OWNERS

PY182233 Paris AFP in Spanish 1947 GMT 17 Jun 80

[Text] Lima, 17 Jun (AFP)--Hector Amengual, president of the Inter-American Radio Association (AIR), said that Peruvian President-elect Fernando Belaunde will return all radio stations and all other media to their former owners.

Amengual, who was accompanied by Peruvian Radio Association President Fernando Gonzalez, yesterday visited the president-elect and said that the meeting was very cordial.

Amengual said that he was very happy with Belaunde's decision to hand over radio and television stations as well as Lima newspapers to their former owners. All of them had been taken over by the government during Gen Juan Alvarado's regime.

Since 1971 the government has controlled the radio stations, and at present it has total control over eight radio stations in Lima and in the interior. The government also owns 51 percent of the stock of three radio stations and 25 percent of the stock of another eight radio stations.

The government also owns 51 percent of the stocks of two Lima television stations, and it took over all Lima newspapers and four provincial newspapers in July 1974.

CALDERON BERTI INTERVIEWED ON OPEC MEETING

ID181037 Madrid YA in Spanish 13 Jun 80 p 37

[Unattributed report on exclusive remarks by Venezuelan Minister of Energy and Mines Humberto Calderon Berti: "Venezuela Does Not Support Oil Price Increase"--all quotes as published]

[Text] Former OPEC Chairman Humberto Calderon Berti has stopped off in Madrid following the Algiers OPEC meeting to meet with Prime Minister Suarez and today with the king. Engineer Calderon Berti, who is also Venezuela's minister of energy and mines, talked to YA about the Algiers meeting.

"The Algiers summit was very positive on account of the agreement reached which, although not perfect, is a good one because it reduces the differences regarding prices. It is also positive for the consumer countries since there is better market control and it is possible to combat speculation somewhat. Furthermore, the following two Venezuelan ideas were presented in Algiers: the creation of the OPEC News Agency--OPEC NEWS--which was approved, and the idea of creating an institute for Third World postgraduates in science and technology, which was also accepted.

"OPEC will soon be holding two meetings--one triminsterial meeting of foreign, finance and oil ministers between the second half of August and the first half of September in Geneva to prepare all the documentation and make recommendations to the second meeting, the summit of OPEC countries' heads of state to be held in Baghdad in the first week of November.

"OPEC is now drawing up a document through its long-term strategy committee for the political fixing of prices which will make it possible to forecast future prices with adjustments for inflation exported by the developed countries and the necessary adjustments for finished products manufactured in the industrialized countries. It is fundamental that we agree on a single price which could become effective in the next few months. This would mean combating the spot market, which is a speculative market damaging to all, both producers and consumers.

"OPEC is also concerned with the Third World and developing countries. We are working on joint alternative energy projects. Venezuela and Algeria have suggested the creation of an OPEC development agency or bank.

"As for the conversations with the industrialized countries, another round of talks must be held because while energy is important, so too is everything connected with the older of the international monetary system, the bases for transferring technology and the prices of the less developed countries' raw materials."

OPEC has a future of only a few decades; therefore, "for it to remain viable its role must be redefined. This is why Venezuela has undertaken to promote several initiatives to revitalize the organization. We are beginning to study a plan for cooperation with consumers outside the oil framework. We do not believe that the most that can be achieved is mere negotiations on oil consumption and sales. We must seek new forms of energy."

With regard to Venezuelan-Spanish relations, the South American country sells us 70,000 barrels a day through various companies. "Now both our countries are seeking to strengthen these bilateral energy relations. This is the reason for my Madrid visit."

With regard to a possible price increase this year, Calderon Berti said nothing except that "we in OPEC cannot restrict ourselves to discussing prices. Venezuela is not advocating further price increases."

COSTA RICA

VENEZUELA'S HERRERA GUARANTEES NEW BENEFITS

PA181444 San Jose Radio Reloj in Spanish 0100 GMT 18 Jun 80

[Text] Central America will receive new benefits from Venezuela, President Luis Herrera Campins announced this afternoon on arriving at the presidential house.

Asked about the date when the ways in which Venezuela will aid Central America will be announced, he said this would be soon, since work is already underway. But the Venezuelan president did not specify if the announcement will be made in the near future or will be made tomorrow when the joint declaration is signed.

The Venezuelan president said that although the Central American countries are already receiving benefits from his country, the work currently underway seeks to grant the area some new benefits. You can be sure you will obtain new benefits, Herrera Campins told newsmen. This was taken to mean that this country will guarantee additional aspects connected with the oil supply.

The presidents of Venezuela and Costa Rica agree that their two nations share a common destiny. Our two countries are geared toward the defense of freedom and democracy in the American Continent, Herrera Campins and Carazo Odio have both declared. Within the framework of Americanist brotherhood, we are determined that our peoples shall overcome their problems, their social plights, their injustices and their difficulties so that, together, they will gradually generate that destiny which belongs to all, Carazo said.

The purpose of this visit is to contribute decisively to a strengthening of the ties of friendship and communication between our two nations, the Venezuelan president added. This is why I would like to tell Costa Ricans that in Venezuela they have a friendly fatherland that loves and admires them.

Herrera Campins and Carazo Odio will sign a joint declaration tomorrow, in which they will ratify their two nations' desire to enforce freedom and the defense of human rights as well as Venezuela's support and aid for Costa Rica and the other countries in the area.

CARAZO REPORTEDLY ORDERS ARMS SMUGGLING PROBE

PA181332 Panama City ACAN in Spanish 0056 GMT 18 Jun 80

[Text] San Jose, 17 Jun (ACAN-EFE)--Costa Rican President Rodrigo Carazo reportedly ordered today an investigation into the arms smuggling case discovered by local authorities, the afternoon newspaper LA PRENSA LIBRE reports in today's edition.

According to press reports, members of the Directorate of Criminal Investigations (DIC) discovered a van loaded with modern arms and powerful explosives in Moravia, 7 km from San Jose. The newspaper adds that Carazo called Security Minister Carlos Arguedas LeFranc to his office today to ask him for an in-depth investigation and the adoption of security measures throughout the country to prevent any arms smuggling.

LA PRENSA LIBRE contends that "it has been learned that the president is concerned over reports abroad that arms are being sent from Costa Rica to other countries, particularly El Salvador." This is in reference to the seizure of ammunition in San Miguel, El Salvador, after the last week's crash of a light plane of Panamanian registry carrying it.

According to the Costa Rican daily, the arms seized in Costa Rica may be left over from the many weapons that passed through Costa Rica between 1978 and 1979 for the Sandinist guerrilla forces that overthrew the government of Gen Anastasio Somoza Debayle in Nicaragua. "The president is determined to keep Costa Rica from being used in the illegal international arms traffic at any cost," says the newspaper, quoting official sources.

Press 'Speculation' Rapped

PA181519 San Jose Radio Reloj in Spanish 0100 GMT 18 Jun 80

[Text] According to reports from Panama, the plane that crashed in El Salvador while carrying a large shipment of arms took off from Panama but picked up the arms in Costa Rica.

The public security minister has said in this regard that the plane and the crew are Panamanian; that there is no evidence the plane landed in our country and that, therefore, the reports are mere speculation by the press. Since there is no tangible evidence in this regard, the government has not opened any investigation in this connection, Public Security Minister Carlos Arguedas LeFranc said.

The Costa Rican Government will not allow any action aimed at intervening in the domestic affairs of the Central American countries, Arguedas added. As for Costa Rica's position vis-a-vis El Salvador, it supports the Salvadoran Government junta, which is striving to achieve peace and well-being for the entire people within a democratic framework.

Regarding allegations that [Costa Rican] authorities are involved in the arms smuggling, the ministry said the culprits will be placed at the disposal of judicial authorities for trial under the full force of the law.

AUTHORITIES ARREST MAN IN ARMS THEFT CASE

PA181627 San Jose Radio Reloj in Spanish 1200 GMT 18 Jun 80

[Text] Public Secutiry Minister Carlos Arguedas said yesterday that the main culprit in the theft of arms from the Juan Santamaria International Airport was arrested by officers of the Directorate of Criminal Investigations (DIC).

The person involved is Emilio Gazel, who was arrested in Moravia. A vehicle owned by him, bearing license plate No 75540, was also seized. It contained 42 cases of 75 mm mortar shells. Mortars of this type were left in our country when the war in Nicaragua ended. They were picked up especially at the border [words indistinct] several farms following complaints from the inhabitants.

The work done by the DIC in connection with the seizure of several cases of grenades [as heard] stolen from the government confirms that its existence is justified. For several days and nights, the DIC officers under the command of Col Guillermo Marti, deputy director of Mariano Sosa and Maj Mario Fallas worked untiringly and with great sacrifice, successfully concluding a praiseworthy task, Arguedas said.

The destination of the mortar shells as well as the way they were stolen from the air terminal are unknown, the security minister added. Regarding allegations of a possible involvement by our authorities in a case of arms smuggling, the ministry said that those guilty will be placed at the disposal of the judicial authorities for trial under the full rigor of the law.

Ramifications Investigated

PA182029 San Jose Radio Reloj in Spanish 1730 GMT 18 Jun 80

[Text] Officials of the Directorate of Criminal Investigations [DIC] said this morning that thus far Emilio Gazel is the only person found to be involved in the theft of several large-bore shells. Gazel is being held incommunicado and it is not known if any habeas corpus writ has been requested in his favor. However, the fact that there are no clues as to any involvement by other persons does not mean the case has been closed, DIC officials added. In view of the complexity of the theft and traffic in arms it is virtually impossible that Gazel was working alone. Investigations will continue for this reason, the police spokesmen said.

EL SALVADOR

GOVERNMENT ACCUSED OF COMPLICITY IN AMRS CASE

PA182316 San Salvador API NEWS in Spanish 18 Jun 80 Vol II PP 1022, 1023, 1024

[Excerpts] The following publication refers to the plane loaded with ammunition and weapons which made a forced landing in san miguel. Following are the API commentaries:

Although the Salvadoran military authorities affirm that the ammunition brought by the supposed Panamanian aircraft were to be delivered to the guerrillas, the opposition sectors are convinced that the ammunition was in fact consigned to "themost rabid rightist groups of El Salvador" which, "with the consent and blessings of the government, are operating in the country." Proof of this, the same sectors add, is that the plane which crashed against the tree and was unable to take off, as well as the one which picked up its crew, landed without any difficulties on the landing strip of a private estate usually protected by guards or the army.

Elsewhere, the popular and labor organizations, particularly the National Labor Federation of Salvadoran Workers (SENASTRAS), recently revealed through its secretary general, Hector Bernabe Recinos, the entry into the country, through various places, of weapons consigned to the enemies of the people.

In this connection we want to report, Bernabe Recinos said, that presently war materiel has been unloaded in ports and taken to San Salvador. "In Cutuco, 70 boxes of weapons and ammunitions were unloaded from a ship and brought to San Salvador in two train cars. They were disguised with a label marked milk, but the contents of the wooden boxes were weapons consigned to the Defense Ministry. Similar shipments have been unloaded at Acajutla Port and at the Ilopango Airport."

Bernabe Recinos also reported the surreptitious arrival in the country not only of weapons and ammunitions for "the enemies of people," but also of mercenaries. We also wish to report to the Salvadoran people, he said, that full mercenary battalions have been unloaded and taken to the military posts: 600 to Morazan, 600 to Zacatecoluca, and others to Santa Ana. We can see the intervention of U.S. imperialism here,"

As for the place where the plane crashed against a tree at the Miraflores Estate as well as for the one where the crew was picked up, it is strange that they should have entered Salvadoran territory so easily and landed on the strip when the Defense Ministry itself proclaimed that there is the strictest vigilance by land, sea and air with guard and troop patrols, Coast Guard launches, planes, helicopters, and so forth.

The infiltration of the supposed Panamanian plane can only be explained, he noted, if those flying the aircraft were in collusion with the military elements reportedly patrolling the entire country. While the truth is established, the following question continues unanswered: Who was supposed to receive the ammunition? The guerrillas, as claimed by Colonel Garcia, or the enemies of the people?

MORALES EHRLICH STRESSES NEED FOR EMERGENCY PLAN

PA170228 San Salvador LA PRENSA GRAFICA in Spanish 16 Jun 80 p 65

[Text] Jose Morales Ehrlich, revolutionary government junta member, told a group of Christian Democratic Party [PDC] members that in order to save the country economically, socially and politically, it is necessary to implement the national emergency plan.

Morales Ehrlich and PDC members met recently to analyze the nation's situation and to discuss the objectives of the emergency plan which will benefit the Salvadoran people.

According to Morales Ehrlich, "the creation of new jobs and the investment of 2 billion colones in this plan will promote the country's general development, especially the economy, in proportion to the structural changes already in progress."

He also said that according to plans the 231,105 jobs which already exist will be maintained and that 74,230 new jobs will be created so that the unemployed can be incorporated into the country's production.

"Agriculture and livestock are among the priority development programs. In this sector we aimed at increasing the production of basic grains, sugarcane, cotton, cattle and in preserving renewable natural resources. The plan also intends to reactivate industry, tourism, housing construction, financing of public works and the improvement of communities," Morales Ehrlich explained.

With regard to poor communities, he said they will be provided with the basic needs required by any human being. Rural areas will be provided with electirc power, education, food aid and environmental sanitation, Morales Ehrlich indicated.

He said that a peaceful revolution is underway which will benefit the majority of Salvadorans. I trust in the patriotism and good will of Salvadorans and, based on my experience, I do not doubt that there are honest citizens who wish to solve the current situation without bloodshed.

JUNTA MEMBERS CONDUCT WORK SESSION ON AGRARIAN REFORM

PA190143 San Salvador Radio Cadena YSKL in Spanish 2200 GMT 17 Jun 80

[Text] Members of the revolutionary government junta held an intensive work session today with Agriculture Ministry officials and representatives of institutions directly involved in the historic agrarian reform process.

Col Adolfo Arnoldo Majano and Jose Napoleon Duarte held a meeting at 0900 today with Agriculture Minister Octavio Arellano Solis; his secretary, Col Jose Galileo Torres; Salvadoran Agrarian Transformation Institute (ISTA) officials and agriculture experts, to exchange views and to make decisions to be carried out immediately and in the future to continue promoting the agrarian reform.

Agriculture experts had the opportunity on this occasion to make suggestions as to the best way to carry out the agrarian reform which undoubtedly will benefit the Salvadorans, particularly the peasants.

During the meeting all issues related to the agrarian reform needs were discussed and presented with sincerity and a great sense of reality. The experts indicated that the peasants will need immediate aid so that they can be properly incorporated into the Salvadoran society with dignity. They also mentioned the fact that everyone involved in this process is showing a great patriotic spirit.

Colonel Majano and Duarte continued talking to Agriculture Ministry officials to find out more about their most urgent needs. Finally, they decided that more meetings of this type should be held in order to consolidate the agrarian reform process.

ARMED FORCES DENY RUMORS ON LACK OF SAFETY ON ROADS

PA181517 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 17 Jun 80

[Text] In view of rumors which are persistently circulating, the press committee of the armed forces considers it an absolute necessity to explain the following: It is false that a high-ranking officer has said that the safety of people traveling on Salvadoran roads cannot be guaranteed. On the contrary, the armed forces guarantee the lives and property of all Salvadorans.

SECURITY CORPS CAPTURES MORALES EHRLICH'S SON

PA190224 Paris AFP in Spanish 0212 GMT 19 Jun 80

[Text] San Salvador, 18 Jun (AFP)--The Salvadoran Security Corps today captured the eldest son of government junta member Antonio Morales Ehrlich, it was learned from a reliable source. Jose Antonio Morales announced 2 months ago in a letter to his father that he had joined the leftist Farabundo Marti Peoples Liberation Forces.

FDR DELEGATION IN AUSTRIA SEES EARLY OVERTHROW OF JUNTA

AU181055 Vienna Domestic Service in German 0516 GMT 18 Jun 80

[Barbara Coudenhove-Kalergi report on 17 June Vienna press conference of an El Salvador Revolutionary Democratic Front (FRD) delegation with recorded excerpts from statements by two delegation members, beginning in Spanish, fading into German translation]

[Summary] International observers agree that it is only a question of time until political terrorism in El Salvador leads to open warfare. Virtually everything now depends on the position of the United States, and it has clearly defined its policy of supporting the junta which, in addition to the military, also includes four Christian Democratic politicians. But this government has no support among the people. The recently united opposition is a rather mixed group ranging from the extreme left to the democratic center. This opposition estimates that it is supported at the moment by about 80 percent of the opposition--which is essentially confirmed by the Swiss paper NEUE ZUERCHER ZEITUNG.

"One of the representatives of this opposition, of the so-called Revolutionary Democratic Front, is Salvador Arias, former minister of agriculture without party affiliation, who resigned 4 years ago because of the failure of the land reforms. Above all, this university professor is afraid of one thing: a direct intervention by the United States and thus an internationalization of the conflict, with incalculable consequences for the entire region."

[Begin Arias recording] We want to make it clear that we have not been seeking war. We also want to make it clear that this war has been forced upon us from outside, that we have tried all peaceful means to overcome the El Salvador crisis, that all these attempts have failed, that we have participated in all elections to date, that along with the military, we even participated in the government after the coup of 15 October last year. So we have exhausted all peaceful possibilities. The Revolutionary Democratic Front wants to establish peace in our country. It wants a democratic, pluralist, antioligarchic and anti-imperialist government--above all anti-imperialist, as a consequence of the U.S. policy vis-a-vis our country--this is the kind of government the FDR wants to establish in El Salvador. [end recording]

In El Salvador, the general claim is that the opposition is being supported from Cuba. Here in Vienna, yesterday, opposition representatives categorically denied that. One delegation member Jose Rutilio Sanchez, happens to be a Catholic priest. Where does the church stand in this conflict?

[Begin Sanchez recording] Regarding the position of the Catholic Church, first of all I should like to point out that the entire Catholic people--the vast majority of people of El Salvador are Catholic--have risen to fight in this struggle for liberation side by side, together. There are many priests and various Christian communities that are integrated in the FDR, that are FDR members. And the successor of the murdered Bishop Romero is pursuing exactly the same policy, the same line, as the former bishop. [end recording]

[Coudenhov-Kalergi] "For the time being, the scenario for El Salvador looks rather gloomy: a bloody civil war in which the United States, as it did in Nicaragua, is opposed to the majority of the people; and in the end possibly a leftist regime that is virtually bound to drift toward the USSR. That is why the Central American opposition forces are seeking contacts with democratic Europe before this happens. Here in Vienna they have talked, among others, with Socialist Party floor leader Heinz Fischer, People's Party foreign policy spokesman Steiner, and Caritas director Prelate Ungar, and have done in Iran--might now play a more active role also in the Latin American backyard of the United States, and not necessarily in Washington's favor."

Austrian Socialists Pledge Support

AU181056 [Editorial Report] Vienna ARBEITER-ZEITUNG in German on 18 June 1980 carries on page 5 a 1,000-word Georg Hoffmann-Ostenhof report on the 17 June Vienna press conference of the El Salvador Revolutionary Democratic Front [FDR] delegation, containing the following passages on statements by delegation member Salvador Arias: "'The war has been forced upon us by the junta and by the Americans.' Washington politically and militarily supports the junta which last year replaced long-standing dictator Romero, but above all it supports the junta with loans for arms purchases. Arias does not exclude a possible military U.S. intervention in El Salvador if the junta should lose control of the situation. 'But should they intervene, they would encounter a resistance they never dreamed about,' Arias said."

"'Attempts were made to induce us, by provocations, to start an uprising too early. However, we will launch the uprising only when we are sure to succeed, and when it is in line with the awareness and the will of the people." In this context, the author states that although no dates were mentioned, "one gained the impression that the decision will come this summer."

The report says in conclusion: "In the Salvadoran delegation's talks with Socialist Party floor leader Fischer, the latter ensured the FDR representatives--among them there is a Catholic priest--of the Socialist Nationalrat faction's unreserved moral and humanitarian support for their struggle against dictatorship and in favor of democratic conditions."

GUATEMALA

DEFENSE MINISTER DENIES ANY INTERVENTION EFFORTS

PA190128 Panama City ACAN in Spanish 1923 GMT 18 Jun 80

[Text] Guatemala City, 18 Jun (ACAN-EFE)--Guatemalan National Defense Minister Gen Anibal Guevara asserted today that the Guatemalan Army is not intervening in support of the Salvadoran Government or to oppose the Nicaraguan regime. "The Guatemalan Armed Forces maintain a posture of nonintervention in the affairs of other states," the military leader said.

General Guevara described as false certain news reports that have circulated in Central America to the effect that the Guatemalan Army is reportedly preparing to intervene in El Salvador in support of the Salvadoran Army, which is presently waging a struggle against leftist guerrilla groups.

"We are not going to intervene in El Salvador in any way, because it is not our affair and we believe that it is solely up to the Salvadorans to solve the crisis which they are experiencing," the minister said.

On the other hand, the military chief also denied rumors that the Guatemalan Army would support former Somozist guardsmen in an invasion of Nicaragua to overthrow the Sandinist government. "We will not cooperate with any group that attempts to attack a brother country," General Guevara said.

FOREIGN MINISTER EXPLAINS DIPLOMAT'S DISMISSAL

PA171807 Guatemala City PRENSA LIBRE in Spanish 10 Jun 80 p 2

[Text] The dismissal of Oswaldo Guerra y Guerra as Guatemalan ambassador to the Dominican Republic was a presidential decision based on the powers vested in him by the Constitution, Foreign Minister Rafeal Castillo Valdez told PRENSA LIBRE yesterday.

Asked by one of our reporters about the diplomat's dismissal the minister cited an article of the Constitution which states that the president of the republic can replace any ambassador or consul representing Gautemala in any country.

Regarding Guerra's statements criticizing the government of General Lucas Garcia and noting alleged violations of the Havana and Vienna agreements, the foriegn minister made no comment.

The Foreign Ministry has appointed Carlos Lemus Gallardo, former Guatemalan ambassador to El Salvador, to replace Guerra y Guerra.

The Dominican Government has given its approval for the new Ambassador Lemus Gallardo.

As of yesterday it had not announced who would replace Lemus Gallardo in El Salvador.

EMBASSIES' INVOLVEMENT ASKED IN VALVERDE CASE

Circumstances Limit Costa Rica

PA140000 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 13 Jun 80

[Excerpts] A local court will try Victor Manuel Valverde, former president of the association of engineering students of the state university, who has been accused of kidnapping, violence and murder. Valverde is in the hospital recovering from bullet wounds sustained the day before yesterday in the university campus in Zone 12 during an incident as a result of which a group of students burned an alleged secret agent. Police are now accusing Valverde of direct involvement in this incident. Valverde's relatives asked the Costa Rican Embassy to grant him diplomatic asylum but the Costa Rican ambassador answered that he cannot be given protection while he is in the hospital. The request for protection was made after an attempt to kidnap him from the hospital failed, his relatives reported.

Costa Rican Ambassador Mario Esquivel Tobar explained the limitations of the embassy in the case. [Begin recording] I received a formal request from Carrillo, acting rector of San Carlos University, urging me to give diplomatic protection to Valverde. The Engineering School also filed a similar request and Valverde's father came to see me yesterday afternoon. Since that protection cannot be provided because he is in the hospital, I asked the Guatemalan Government to provide closer protection by the public security forces. I think the government minister has complied with my request. [end recording]

The Costa Rican ambassador originally did not know that Valverde could not leave the hospital. Newspaper sources stated that two alleged security officials and not just one, namely Adan Melgar Solares, died during the university incidents. The sources said the other official was Baldomero Mendoza, a rural policeman. However, Mendoza is still alive.

Five Embassies To Intervene

PA140323 Guatemala City Radio Mundial in Spanish 1710 GMT 13 Jun 80

[Distributed by Inter-Central American Radio Organization]

[Text] According to engineering students of the San Carlos University, five diplomatic missions will go before government organizations to have the security forces drop assassination charges against Victor Manuel Valverde, an engineering student, who will be tried by the Fifth Penal Court.

According to the students, the government, through its various organizations, sought the grossest pretext to prevent Valverde from leaving the country. The government did this when it failed in its purpose and when it learned of the effort of the Superior University Council to seek diplomatic protection for Valverde, former president of the association of engineering students and member of this council. The students also reported that Valverde--who is being treated at a private hospital in this city because of bullet wounds received during a criminal attack against him carried out at the university on Tuesday--was originally to be tried at the Third Peace Court for robbery and kidnapping. However, his case was transferred to the Fifth Penal Court under the charge of killing Adan de Jesus Melgar Pomares. [name as heard]

According to his companions, the government is doing this in order to prevent Valverde from leaving the country under diplomatic protection. He is being accused of a crime that occurred 40 minutes after Valverde already lay unconscious in the emergency room at the Roosevelt Hospital where he underwent intensive medical treatment for bullet wounds that he received when he was attacked.

The students said that their efforts will be aimed at winning the intervention of the Costa Rican, Nicaraguan, Salvadoran, Panamanian and Venezuelan Embassies.

Nicaraguan Envoy Demurs

PA181913 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 18 Jun 80

[Excerpt] The Nicaraguan Embassy in Guatemala has not acceded to the request by the state university engineering school to grant asylum to Victor Manuel Valverde who is at the medical center. Nicaraguan Ambassador Alejandro Castillo explained the reason for the refusal: [Begin recording] We cannot grant asylum this way. The person has to come to the embassy. Our protection cannot go beyond our embassy because we would virtually be interfering in matters that do not pertain to us. [end recording]

BRIEFS

AMBASSADOR TO PANAMA--Raul Gonzalez Garza, a distinguished newsman, will leave in the next few days for Panama, to take up the post of Guatemalan ambassador to that country. [Guatemala City DIARIO DE CENTROAMERICA in Spanish 5 Jun 80 p 1 PA]

HONDURAS

TALKS WITH EL SALVADOR MAY BE SUSPENDED

PA181413 Tegucigalpa Radio America in Spanish 2145 GMT 16 Jun 80

[Distributed by Inter-Central American Radio Organization]

[Text] The possibility has not been dismissed that negotiations with El Salvador might be stopped, Foreign Secretary Eliseo Perez Cadalso said yesterday when he was asked if that would occur if it is confirmed that the latest agreements are harmful to territorial integrity. He said, however, that his conscience is clear since every step taken in the negotiations has been approved by the Higher Council of the Armed Forces and the military government junta.

He was asked if the Foreign Secretariat would publish the agreement signed with El Salvador on 17 April in Miami which, according to Camilo Gomez Y Gomez, a former member of the joint commission on boundaries, is an attack on Honduras' territorial interests. The foreign secretary's reply was a speedy no because there are some documents that cannot be disclosed even if this were desirable. However, if the Higher Council of the Armed Forces permits, it will be published. We do not think there is anything harmful in the agreement. Our conscience is clear and we are completely at ease because we have worked in favor of a settlement that we think is both advantageous to the nation and timely.

The document signed in Miami says Honduras and El Salvador will sign a general treaty without having delimited the areas in dispute. The foreign secretary said he could not reply to the question of whether Honduras would accept El Salvador's lastest proposal to extend the disputed areas. When he was pressured to be more specific, he said: I don't think it will be accepted. Furthermore, in negotiations as in love, one proposes and it is up to the other party to accept or not.

He confirmed that a meeting of the former Honduran foreign secretaries has been called today to analyze this delicate issue of the peace talks with El Salvador. Of course we have to make matters clear so the people will know to what extent prudence and the high interest of the nation favor the talks, the foreign secretary added. He did not dismiss the possibility of holding a forum, but it would have to be determined who would participate.

The Higher Council of the Armed Forces is unaware of what was discussed during the latest negotiations conducted in Miami between the foreign ministry committees of Honduras and El Salvador, Col Gustavo Alvarez Martinez, head of the 3d Infantry Battalion, has said. He said that most likely those deliberations will be reported on during the next regular meeting of the Higher Council of the Armed Forces.

These meetings are held every 3 months and one will be convened this month. He added that on those occasions when it is necessary, the foreign secretary briefs them on how the negotiations with El Salvador are going. He said that the council is unaware of what was transacted in Miami by Honduran Under Secretary Carlos Lopez Contreras but they might discuss the problem during the next meeting if the high command deems it necessary

Alvarez Martinez said he knows Gomez y Gomez rather well and thinks he is an honest patriot. He said, however, he thinks Gomez y Gomez should have tried to solve the problem by talking directly to the military junta members or to whomever else he wanted before he made his public denunciations. He said that since the negotiations with El Salvador are so delicate and important, it is important for some topics, if possible, to be discussed without publicizing them outside the country.

The military officer explained that so far the armed forces has not decided to make any changes in the battalions or in any other military corps. However, he did not dismiss the possibility that this might be decided during the meeting that the Higher Council of the Armed Forces will hold in the next few days in consultation with armed forces chief Gen Policarpo Paz Garcia.

NICARAGUA

FOREIGN MINISTER DISPUTES ARMS PLANE'S ALLEGED FLIGHT PLAN

PA181936 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 18 Jun 80

[Text] The flight plan of the plane that crashed in El Salvador with an arms cargo was false and it was never in our country, Father Miguel D'Escoto Brockman, Nicaraguan foreign minister, has stated:

[Begin D'Escoto recording] I want to insist that a government official's remarks must not be confused with what we read in the papers, in any newspaper. Yesterday I talked to Salvadoran Foreign Minister Fidel Chavez Mena who said that at 0530 Sunday an Aerocommander with the Panamanian license number HP776 had to crashland at the Miraflores Estate **near** San Miguel in El Salvador. Shortly after this, another craft landed which rescued the pilot and copilot of an unknown nationality and some weapons and (?ammunition) which supposedly were coming from Venezuela were found aboard. He added that a flight plan was also found aboard which Tocumen-David-Nicaragua. That is what my colleague told me. He wanted us to investigate to determine whether the plane had landed somehwere in Nicaragua, either at Sandino Airport or anywhere else. I told him that first of all it was obvious that the flight plan was false because the only thing we knew for certain was that the plane had landed in El Salvador but it was not on the flight plan. Now then, if the plane left Panama and went to David or if it came to Nicaragua, that would have to be investigated by the pertinent officials. I can tell you, as I told the Salvadoran foreign minister, that the plane never landed in Nicaragua.

ARCE SAYS BREZHNEV INVITED TO JULY CELEBRATIONS

PA190422 Managua Domestic Service in Spanish 0300 GMT 19 Jun 80

[Text] The Nicaraguan Government has invited CPSU General Secretary Leonid Brezhnev to attend the commemoration of the first anniversary of the Sandinist revolution. This statement was made by Revolutionary Commander Bayardo Arce, president of the State Council.

Arce said that the commemoration of the first anniversary of the Sandinist revolution has great significance within the context of Nicaragua's foreign policy of maintaining friendship with all the peoples of the world.

Therefore, we have also invited Leonid Brezhnev, general secretary of the CPSU and president of the USSR Council of State, as we have invited U.S. President Jimmy Carter, Cuban Prime Minister [as heard] Fidel Castro and Yasir 'Arafat of the Palestine Liberation Organization, Arce said.

Special handling has been given to invitations extended to Venezuela, Costa Rica, Panama and Mexico because of the solidarity those countries extended to Nicaragua when it was staging a struggle against the enemy.

Another country invited by Nicaragua is Honduras, because of its foreign policy of good will toward Nicaragua [words indistinct].

Venezuelan President Luis Herrera Campins is the only person who has confirmed his attendance, according to an official announcement.

OFFICIAL ANNOUNCES EC ASSISTANCE TOTALS $15 MILLION

PA182053 Managua Sistema Sandinist Television Network in Spanish 0200 GMT 18 Jun 80

[Excerpts] European Community aid to Nicaragua now totals $15 million. Martin (Mofner), director of the Community's Information Service, explained that aid:

[Begin recording] I am here in Managua to improve the knowledge of the European Community about Nicaragua and our activities concerning your country.

[Question] Does the European Common Market have a special interest in Nicaragua?

[Answer] Yes, we have a very special interest. I think since the early days of the revolution last year the Community and its member countries decided to provide special, speedy assistance so your country could be rebuilt. We have a very important program for this year too.

[Question] Could you provide any information about that program?

[Answer] Yes, it is more or less $15 million. It includes food aid, financial and technical assistance and also commercial promotion, in other words, the promotion of your exports to the Common Market.

[Question] How do you view your stay here in Nicaragua?

[Answer] Well, yesterday I met with some people here and I think there is an interest in the Community here. They want to know more about what we do in Europe. For instance, I was asked about the Venice summit and the issue between the United Kingdom and the other member nations. I can say an interest exists, for instance, in unprecedented action to be taken in Europe for the unification of countries that have different languages, which is not the case in Latin America. [end recording]

BUSINESS LEADERS REPORT ON MEETING WITH U.S. CONGRESSMEN

PA171741 Managua LA PRENSA in Spanish 10 Jun 80 pp 1, 12

[Text] The $75 million repres[illegible] more than just a loan. It is a certificate of financial credibility for the country. It is like a key capable of opening credits from foreign financial sectors. In this way, Dr Frank Bendana, president of UNCAFENIC [expansion unknown], referred to the controversial $75 million loan granted to Nicaragua by the Carter Administration after its approval was delayed by the U.S. Congress.

He also reported details of the meeting that leaders of the Nicaraguan private sector held on Sunday with the U.S. congressmen headed by Mr Jim Wright at the home of Reynaldo Hernandez, president of the Federation of Chambers of Commerce.

Dr Bendana said the U.S. representatives asked several questions, two of which sum up the spirit of the meeting. The first dealt with the guarantees the government has given the private sector and the assurances that the points agreed upon during the negotiations between the government and the private sector will be fulfilled. The congressmen also wanted to know about the resources the private sector has to make the government keep its side of the bargain.

Our reply, Frank Bendana said, was that our guarantees are based on our productivity, on the ability to consolidate the credits obtained for production and the ability to obtain new credits. In the past, between 45 and 50 percent of the money for working capital was obtained directly by private enterprise from the foreign suppliers and private banks.

Dr Bendana said the second question was more or less the following: Why were Nicaraguan private businessmen so interested in obtaining the $75 million loan while in the United States there was the impression that the Nicaraguan businessmen did not want to reactivate their investments?

Our reply was that the private sector had financed two big strikes which were decisive in the defeat of the dictatorship, that commerce and many industries were looted and destroyed during the insurrection, that after the insurrection the workers' back wages were paid and that the patriotic tax is now being paid. All of this has led to a very low degree of liquidity along with a lack of foreign credits to permit the private sector to undertake their economic recovery programs.

William Baez, executive secretary of the Nicaraguan Development Institute (INDE), also referred to the same meeting with the U.S. congressmen. He said the $75 million is necessary for Nicaragua's economic reactivation. He added that the private sector worked to get the loan granted for the past 6 months. This included three trips to the United States to lobby in favor of the loan.

During the luncheon meeting, which Dr Jaime Montealegre headed, Dr Baez said the private sector explained its position. It does not defend particular interests but the common interests of the Nicaraguan people such as freedom of expression, political pluralism and the country's effective democratization.

Baez said the congressmen expressed their faith in the Nicaraguan private sector, which they described as dynamic and greatly interested in solving the national problems.

Jim Wright also congratulated Nicaragua for having land and water which are more valuable than gold and petroleum and above all for having courageous and hard-working people.

You can be sure, Congressman Wright said, that the United States is the friend of Nicaragua and the Nicaraguans should know that they will continue to have our aid and friendship.

GRANMA REPORTS 105 REFUGEES LEFT MARIEL 17 JUN

FL181420 Havana Domestic Service in Spanish 1400 GMT 18 Jun 80

[Text] News From Mariel: 105 antisocials left Mariel yesterday for the United States. When today's edition of GRANMA went to press at 0100, 11 boats from Florida were at the port. Two boats from the United States arrived yesterday in Mariel.

REFUGEES' DIFFICULTIES IN PERU, U.S. REPORTED

FL181212 Havana Domestic Service in Spanish 1000 GMT 18 Jun 80

[Text] Hunger strikes in Lima and Texas and the arrest of two individuals for attacking and raping a woman in Miami are the latest news about the antisocials of Cuban origin who traveled abroad in the last few weeks and of whom 50,000 remain behind barbed wire in U.S. military camps.

In Lima, about 50 lumpen of Cuban origin went on a 24-hour hunger strike to demand they be sent to the United States, a demand that the Yankee embassy in Peru has repeatedly refused. The scum alleges that living conditions in the Tupac Amaru Park in Lima are very oppressive. We are very cold and we live in tents, one of the hunger strike leaders said. The strike was suspended last night but they promised to resume it within 3 days if they are not sent to the United States.

At the La Tuna federal prison in El Paso, Texas, 100 other jailed antisocials went on a hunger strike to demand that the U.S. Government speed up the review of their cases. The Cuban lumpen imprisoned in La Tuna have been called delinquents and troublemakers. Among them are the leaders of the riot in Fort Chaffee in the state of Arkansas which was violently crushed by the U.S. military police.

In Miami, two of the antisocials recently arrived from Cuba were arrested and charged with kidnapping a woman for 10 hours and raping her. They then robbed a crony who took part in the rape.

GRANMA DENIES SOME REFUGEES ARE MENTAL PATIENTS

PA181812 Havana International Service in Spanish 1600 GMT 18 Jun 80

[Text] The newspaper GRANMA published here in Havana today says it is a vile lie that Cuba has sent psychiatric patients among the antisocials who left the Cuban port of Mariel for Florida. It adds that Washington and the imperialist press continue to report that story to try to make it appear true, the paper says.

The paper notes that the Cuban Government did not deceive anyone when it said that those leaving our country to seek shelter in the U.S. paradise were antisocials, delinquents and vagrants. In sum, they are a human scum who live on hypocrisy, pretense and lies and are capable of hiding the truth in order to obtain gains or benefit.

GRANMA states that when the antisocials arrived in the United States, they found that the open arms and heart of President James Carter were pure demagogy. They were subject to U.S. police brutality on Fort Chaffee and Fort McCoy and even threatened with deportation and imprisonment.

The paper then asks if in view of the extreme measures by Washington, it is not logical to think that some of the antisocials have opted, as a defense mechanism, to act crazy, because it is known that delinquents in the struggle against judicial systems sometimes act strangely to avoid punishment for crimes of which they are accused.

Finally, GRANMA states that there is no such thing as pyschiatric patients sent by Cuba to the United States. The Washington government knows this very well because it has special means which permit it to unmask deception.

COMMENTARY DEPLORES PLIGHT OF HAITIAN EMIGRANTS

PA190257 Havana International Service in Spanish 2310 GMT 18 Jun 80

["Our America" commentary]

[Excerpts] Thousands of Haitians are forced to migrate every year in search of better living conditions because at home the repression of the Duvalier tyranny, the misery, hunger, unemployment, unhealthy conditions and other social ills make the existence of the large majority of the people unbearable.

Imperialist propaganda, which depicts the United States as a paradise, has caused tens of thousands of Haitians to head for that country illegally, often in frail boats that make the voyage to the coast of Florida very dangerous.

They soon discover there that for them the only paradise in the United States is that of being brutally discriminated against and harassed because of their double liability as blacks and Caribbean natives.

The situation of more than half a million Haitians who went to the Dominican Republic to work in the sugar harvest is no less dramatic. Under an agreement that produces juicy revenues for the two countries' regimes, thousands of Haitians arrive each year at the plantations where, in accordance with an intergovernmental agreement, they should receive lodging, medical care, proper treatment, just wages and other social benefits. The situation of the Haitian laborers is nonetheless very different, for reliable reports and even some investigations have revealed that they work in the Dominican Republic under conditions of semislavery. Even there they do not escape the repression of the bloody Ton Ton Macoutes, who act freely in Dominican territory in the face of the Dominican Government's indifference or consent.

This situation is not very different from that of thousands of Haitians in the United States, the Bahamas and other countries. Neither is it very different from those in their oppressed fatherland who are suffering amid misery and starvation.

Meanwhile, Jean-Claude Duvalier's bloody tyranny wallows in opulence and remains in power thanks to the U.S. Government's political, economic and military support. Those in Washington who proclaim themselves leading human rights defenders are largely responsible for the Haitian people's tragedy.

COUNCIL OF STATE NAMES NARANJO GOVERNMENT MINISTER

FL171109 Havana Domestic Service in Spanish 1045 GMT 17 Jun 80

[Text] Acting on a proposal by Fidel, the Council of State has decided to name Comrade Jose Naranjo Morales as minister of government to work directly with the commander in chief, president of the Council of State and the government. The council also named Alejandro Roca Iglesias, who was first vice minister, as minister of the food industry to replace Jose Naranjo Morales.

URUGUAY

SPAIN SEEKS RELEASE OF DISSIDENT, SPANISH DETAINEES

PY182218 Paris AFP in Spanish 1527 GMT 18 Jun 80

[Text] Madrid, 18 Jun (AFP)--The Spanish Government has given instructions to its ambassador in Montevideo to negotiate the release of Spanish citizens who are detained in Uruguay, Spanish Foreign Minister Marcelino Oreja stated here today.

He also reported that the release of Gen Liber Seregni, leader of the Uruguayan opposition and candidate of the Broad Front in the last elections in 1971, is also being negotiated. Oreja made this statement before the Congressional Foreign Relations Committee in reply to a question by Socialist Deputy Miguel Martinez who asked him about the negotiations conducted by Spain to this effect.

Deputy Martinez asked that Spain offer to grant asylum to General Seregni. His proposal was supported by deputies of the ruling party--the Union of the Democratic Center--of the Democratic Coalition (conservative) and of the Communist Party.

PANAMA

COLUMNIST SAYS CARTER, TORRIJOS DESERVE SUPPORT

PA141703 Panama City CRITICA in Spanish 14 Jun 80 p 39

["Stepping on Calluses" column by Belisario Herrera: "Reactionary Strategy"]

[Text] Amid the numerous economic calamities resulting from the international problems that must have repercussions on our country, the most reactionary sectors are waving their faded ideological banners in an attempt to confuse the poorer sectors during the most difficult moments of their daily existence. It is no secret to anyone that those hierarchs of reactionary policy are completely lacking in popular support. However, they are now circulating all kinds of falsehoods and lies to the effect that the men who are leading the Panamanian state embrace Marxist or communist ideologies or something of the sort. The thing is that this poison is filtered through Uncle Sam's beard because, while it is true that President Carter is the standardbearer of a new era, the U.S. President has no control over the interventionist acts of the transnationals under the control of the CIA. Therefore, Carter's policy of understanding with regard to countries that in the past experienced the club of imperialism and physical intervention--such as our country, Santo Domingo, Nicaragua, Guatemala and others--is undermined subtly, or at other times barefacedly, by the U.S. intelligence services, as well as by the rightist sectors that manipulate U.S. policy, such as the Reagan group.

For this reason, I believe that we must be on the alert against the maneuver that I understand is being promoted outside the White House because of President Carter's understanding and concern in having the canal negotiations culminate in the new treaties, which constitute one step forward toward our total liberation and a damper on the spark that could have led to a third world war. For this reason, we give our unrestricted support to General Torrijos and President Carter so that, with the broad support of our people, the American Continent and a large sector of the Third World, they may obtain the top award, the Nobel Peace Prize, which is granted every year to those leaders who struggle to prevent conflagrations or more useless human bloodshed.

For this reason, we should be on the alert against reactionaries within and without.